



County of San Diego

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

August 16, 2010

Honorable Members of the San Diego Legislative Delegation
California State Senate and Assembly
State Capitol
Sacramento, CA 95814

Re: OPPOSE - Special District Provision: Retirement System – Floor Alert

Dear Honorable Members of the San Diego Legislative Delegation:

We are following up on our August 11, 2010 correspondence regarding AB 1987 (Ma) ***“Public Retirement: Final Compensation: Computation: Retirees,”*** which contained a dangerous provision that would have allowed a retirement system to become a special district without the consent of a county Board of Supervisors.

We were pleased that the special district provision was removed from the bill as it passed out of the Senate Appropriations Committee last week and thank Senator Christine Kehoe for her assistance. Should the special district provision emerge again in any measure being considered on the Senate or Assembly floors, we urge your strong opposition.

It is our belief that the special district provision creates a public pension environment lacking in checks and balances and ripe for compensation abuses. Giving a retirement system the authority to set salaries and expand staff significantly increases the likelihood of lavish, runaway salaries for pension employees, as evidenced by our County's ongoing experiences.

As our previous letter detailed, the chief executive officer of the San Diego County Employees Retirement Association (SDCERA) recently proposed that the County of San Diego greatly expand pension system staff and waive salary caps for pension system employees. Alarming, the proposal recommended that SDCERA's top investment advisor receive \$886,000 in base pay and incentives as a County employee.

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The next meeting of the San Diego County Board of Supervisors is scheduled for September 14. Should the special district provision be included in a measure passed by the Legislature, we will bring an item before the full Board, encouraging our colleagues to oppose such a proposal and to urge the Governor to veto the measure containing the provision. Given the timing of the legislative session, we wanted to communicate directly in the meantime.

Sincerely,



PAM SLATER-PRICE
Chairwoman, Third District



DIANNE JACOB
Supervisor, Second District

Cc: Honorable Members, State Senate
Honorable Members, State Assembly
Vice Chairman Bill Horn
Supervisor Greg Cox
Supervisor Ron Roberts
Paul McIntosh, Executive Director, California State Association of Counties